

As Small Business Week Approaches, Signs of Recovery For Entrepreneurs

FranNet offers tips on securing a business loan

Louisville, KY – As the annual Small Business Week event in Washington, D.C. gets underway from May 23 – 25, FranNet is [helping entrepreneurs](#) understand how to secure a business loan.

According to Jania Bailey, president and COO of FranNet, one of the biggest challenges over the past two years for small businesses, and particularly the franchise industry, was obtaining funding.

Overall lending plunged 7.5 percent in 2009, the largest decline since 1942, according to the Federal Deposit Insurance Corp. But encouraging signs have popped up recently – Bancorp Bank recently announced they would start a funding program specific for franchises and start-ups; Congress extended a special lending program from the [Small Business Administration](#) (SBA) – and Bailey believes the lending landscape will continue to improve the rest of the year.

"I think there are some really good signs. Entrepreneurs who have been sitting on the sidelines waiting to open a business or expand their existing business will have greater access to capital in the next year," Bailey said.

Bailey provides the following tips for securing a business loan:

- **Be Prepared/Show Stability:** Be sure that your banking information is up to date. The lender will likely also ask for recent pay stubs, W-2 forms and tax returns, long-term debt information and/or your credit report, proof of any other income you have, the address of the property you're interested in purchasing, and the sales contract. Don't make any significant personnel changes or business plan changes just prior to requesting a loan.
- **Choosing a Lender:** When shopping for a lender, don't limit yourself to the most convenient. Make sure you send applications to both local and large lenders and expand to lenders outside your immediate area. Don't forget to look for online lenders that can request SBA back up lending for your business. Online lenders typically charge higher interest rates than banks but are still lower than most credit cards.
- **Knowing What You Want:** Asking for a business loan is like you are having an interview for employment position. The lender will ask you a series of questions, including: How will the loan be utilized to help your business? Do you need a short-term or long-term loan? And, do you have a clear plan on how you will generate additional funds to repay the debt? Your ability to answer these questions confidently will be key in whether the lender thinks you're qualified for the loan.

Also, entrepreneurs should read about the Recovery Act and how that can help them start up and grow their small businesses. Information on the Recovery Act can be found by visiting http://www.recovery.gov/About/Pages/The_Act.aspx.

FranNet Consultants help people investigate and explore a variety of franchise business ownership options. They offer direction, information, resources and support to help people find a business model that meets their individual needs.

Every year since 1963, the President of the United States has proclaimed National Small Business Week to recognize the contributions of small businesses to the economic well-being of America. As part of the campaign, the U.S. Small Business Administration recognizes this special impact made by outstanding entrepreneurs and small business owners. In 2010, National Small Business Week will honor the estimated 27.2 million small businesses in America. More than half of Americans either own or work for a small business. They also create 60-80 percent of new jobs in the country. Small businesses drive innovation, create 21st century jobs and increase U.S. competitiveness, according to the Administration.

For more information about FranNet, visit www.frannet.com.

About FranNet

FranNet provides free guidance and information to individuals who are interested in purchasing a franchised business. Our role is to educate entrepreneurs on the franchise industry to help clients determine if franchise ownership is for them. FranNet works with many of the best franchises in the industry and FranNet consultants use a special profiling and consultative process to determine the right [franchise opportunity](#) and business model unique to each person. Our services are 100% free through the entire process. FranNet hosts numerous informational seminars and educational programs that are open to the public each month throughout the country and online. To learn more about opportunities with FranNet call 1-800-FRANNET and visit www.frannet.com.